

Office of Chief Counsel  
Internal Revenue Service

# memorandum

date: January 22, 2010

to: Industry Directors (Large & Mid-Size Business)

from: Deputy Commissioner, Services and Enforcement

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subject: Delegation of Authority – Publicly-Traded Partnerships that Experience a Technical Termination

This memorandum delegates the authority to approve and execute written agreements with a publicly-traded partnership that has experienced a technical termination under section 708 of the Internal Revenue Code relating to the filing requirements and applicability of penalties provided by sections 6721 and 6722 of the Internal Revenue Code for the short taxable years that result from a technical termination.

## **Background**

The Internal Revenue Service has determined that there may be situations where, in the best interests of tax administration, it should not impose the penalties provided by section 6721 and 6722 of the Internal Revenue Code against a publicly-traded partnership within the meaning of Internal Revenue Code Section 7704(b)(1) that has experienced a technical termination for the short taxable years that result from that technical termination. The Internal Revenue Service also has determined that, in these situations, tax administration may be best served by the taxpayer and the Internal Revenue Service executing a closing agreement relating to the filing requirements and the applicability of penalties in these cases. A sample closing agreement is attached as appendix A of this memorandum.

The appropriate officials to approve and execute these agreements on behalf of the Commissioner, Internal Revenue are the Industry Directors (Large & Mid-Size Business).

## **Delegation of Authority**

Under the authority vested in me under Commissioner Delegation Order No. 193, revision 6 (Nov. 8, 2000) as Deputy Commissioner for Services and Enforcement, I hereby delegate to the Industry Directors (Large & Mid-Size Business) the authority to approve and execute a written agreement with a publicly-traded partnership within the meaning of Internal Revenue Code Section 7704(b)(1) that has experienced a technical termination under section 708 of the Internal Revenue Code relating to the filing requirements and applicability of penalties provided by sections 6721 and 6722 of the Internal Revenue Code for the short taxable years that result from a technical termination .

This authority may not be redelegated.

To the extent that any action previously exercised consistent with this order may require ratification, it is hereby affirmed and ratified.